

AMENDED IN SENATE MARCH 24, 2015

SENATE BILL

No. 207

Introduced by Senator Wieckowski

February 11, 2015

An act to amend Section ~~39716 of the Health and Safety~~ *16428.9 of the Government Code*, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 207, as amended, Wieckowski. California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund: investment plan: *Fund.*

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. ~~Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.~~ *Existing law requires a state agency expending moneys from the fund to create a record, prior to the expenditure, that includes, among other things, a description of the expenditure proposed to be made and a description of how the proposed expenditure will contribute to achieving and maintaining greenhouse gas emissions reductions, as specified.*

~~This bill would additionally require the 3-year investment plan to identify conflicting or overlapping policies, where applicable, in current state strategies to meeting the state's greenhouse gas emissions reduction goals and targets by sector.~~

This bill would require that record to be posted on the Internet Web sites of the state agency and the State Air Resources Board prior to the state agency expending those moneys.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16428.9 of the Government Code is
2 amended to read:
3 16428.9. (a) Prior to expending any moneys appropriated to
4 ~~it a state agency~~ by the Legislature from the fund, ~~a state agency~~
5 ~~shall prepare a record consisting of all of the following shall occur:~~
6 (1) A state agency shall prepare a record consisting of all of
7 the following:
8 ~~(1)~~
9 (A) A description of each expenditure proposed to be made by
10 the state agency pursuant to the appropriation.
11 ~~(2)~~
12 (B) A description of how a proposed expenditure will further
13 the regulatory purposes of Division 25.5 (commencing with Section
14 38500) of the Health and Safety Code, including, but not limited
15 to, the limit established under Part 3 (commencing with Section
16 38550) and other applicable requirements of law.
17 ~~(3)~~
18 (C) A description of how a proposed expenditure will contribute
19 to achieving and maintaining greenhouse gas ~~emission~~ emissions
20 reductions pursuant to Division 25.5 (commencing with Section
21 38500) of the Health and Safety Code.
22 ~~(4)~~
23 (D) A description of how the state agency considered the
24 applicability and feasibility of other nongreenhouse gas emissions
25 reduction objectives of Division 25.5 (commencing with Section
26 38500) of the Health and Safety Code.
27 ~~(5)~~

1 (E) A description of how the state agency will document the
2 result achieved from the expenditure to comply with Division 25.5
3 (commencing with Section 35800) of the Health and Safety Code.

4 (2) A state agency shall post on its Internet Web site the record
5 required to be prepared pursuant to paragraph (1).

6 (3) The State Air Resources Board shall post on its Internet Web
7 site the record a state agency is required to prepare pursuant to
8 paragraph (1).

9 (b) The State Air Resources Board shall develop guidance on
10 reporting and quantification methods for all state agencies that
11 receive appropriations from the fund to ensure the requirements
12 of this section are met. ~~Chapter The Administrative Procedure Act~~
13 ~~(Chapter 3.5~~ (commencing with Section 11340) of Part 1 of
14 Division ~~3~~ 3) does not apply to the procedures developed pursuant
15 to this subdivision.

16 (c) Nothing in this section alters, amends, or otherwise modifies
17 in any manner Division 25.5 (commencing with Section 35800)
18 of the Health and Safety Code, including the authority of the State
19 Air Resources Board to adopt and implement a fee pursuant to that
20 division.

21 (d) If any expenditure of moneys from the fund for any measure
22 or project is determined by a court to be inconsistent with law, the
23 funding for the remaining measures or projects shall be severable
24 and shall not be affected.

25 ~~SECTION 1. Section 39716 of the Health and Safety Code is~~
26 ~~amended to read:~~

27 ~~39716. (a) The Department of Finance, on behalf of the~~
28 ~~Governor, and in consultation with the state board and any other~~
29 ~~relevant state entity, shall develop and submit to the Legislature~~
30 ~~at the time of the department's adjustments to the proposed~~
31 ~~2013-14 fiscal year budget pursuant to subdivision (c) of Section~~
32 ~~13308 of the Government Code a three-year investment plan.~~
33 ~~Commencing with the 2016-17 fiscal year budget and every three~~
34 ~~years thereafter, with the release of the Governor's budget proposal,~~
35 ~~the Department of Finance shall include updates to the investment~~
36 ~~plan following the public process described in subdivisions (b)~~
37 ~~and (c). The investment plan, consistent with the requirements of~~
38 ~~Section 39712, shall do all of the following:~~

39 ~~(1) Identify the state's near-term and long-term greenhouse gas~~
40 ~~emissions reduction goals and targets by sector.~~

1 ~~(2) Analyze gaps and identify conflicting or overlapping~~
2 ~~policies, where applicable, in current state strategies to meeting~~
3 ~~the state's greenhouse gas emissions reduction goals and targets~~
4 ~~by sector.~~

5 ~~(3) Identify priority programmatic investments of moneys that~~
6 ~~will facilitate the achievement of feasible and cost-effective~~
7 ~~greenhouse gas emissions reductions toward achievement of~~
8 ~~greenhouse gas reduction goals and targets by sector, consistent~~
9 ~~with subdivision (c) of Section 39712.~~

10 ~~(b) (1) The state board shall hold at least two public workshops~~
11 ~~in different regions of the state and one public hearing prior to the~~
12 ~~Department of Finance submitting the investment plan.~~

13 ~~(2) The state board, prior to the submission of each investment~~
14 ~~plan, shall consult with the Public Utilities Commission to ensure~~
15 ~~the investment plan is coordinated with, and does not conflict with~~
16 ~~or unduly overlap with, activities under the oversight or~~
17 ~~administration of the Public Utilities Commission undertaken~~
18 ~~pursuant to Part 5 (commencing with Section 38570) of Division~~
19 ~~25.5 or other activities under the oversight or administration of~~
20 ~~the Public Utilities Commission that facilitate greenhouse gas~~
21 ~~emissions reductions consistent with this division. The investment~~
22 ~~plan shall include a description of the use of any moneys generated~~
23 ~~by the sale of allowances received at no cost by the investor-owned~~
24 ~~utilities pursuant to a market-based compliance mechanism.~~

25 ~~(c) The Climate Action Team, established under Executive~~
26 ~~Order S-3-05, shall provide information to the Department of~~
27 ~~Finance and the state board to assist in the development of each~~
28 ~~investment plan. The Climate Action Team shall participate in~~
29 ~~each public workshop held on an investment plan and provide~~
30 ~~testimony to the state board on each investment plan. For purposes~~
31 ~~of this section, the Secretary of Labor and Workforce Development~~
32 ~~shall assist the Climate Action Team in its efforts.~~